

ALVORD AND ALVORD
ATTORNEYS AT LAW
918 SIXTEENTH STREET, N W
SUITE 200
WASHINGTON, D.C.

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

20006-2973

(202) 393-2266

FAX (202) 393-2156

OF COUNSEL
URBAN A. LESER

May 14, 1996

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are three (3) copies of a Master Equipment Lease Agreement, dated as of May 6, 1996, a primary document as defined in the Board's Rules for the Recordation of Documents and three (3) copies each of the following documents related thereto: Certificates of Acceptance No. One and No. Two, each dated May 6, 1996, and two Bills of Sale, each dated May 13, 1996.

The names and addresses of the parties to the enclosed documents are:

Master Equipment Lease Agreement and
Certificates of Acceptance No. One and No. Two

Lessor: MetLife Capital Limited Partnership
10900 N.E. 4th Street
Bellevue, Washington 98009

Lessee: Dakota, Minnesota & Eastern Railroad Corporation
337 22nd Avenue South
Brookings, South Dakota 57006

20058

20058 - A, B, C, D,
REGISTRATION NO. FILED 142

MAY 14 1996 - 12 05 PM

U.S. DEPT. OF COMMERCE

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 14 12 02 PM '96

Mr. Vernon A. Williams

May 14, 1996

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Bills of Sale

Seller: NorRail, Inc.
308 12th Avenue South
Buffalo, Minnesota 55313

Buyer: MetLife Capital Limited Partnership
10900 N.E. 4th Street
Bellevue, Washington 98009

A description of the railroad equipment covered by the enclosed documents is:

For Certificate of Acceptance No. One -

Twenty-one (21) covered hopper railcars bearing DME (formerly CR) reporting marks and road numbers set forth on Exhibit A attached thereto.


For Certificate of Acceptance No. Two -

Fifty (50) covered hopper railcars bearing DME (formerly CR) reporting marks and road numbers set forth on Exhibit A attached thereto.

Also enclosed is a check in the amount of \$105.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of each of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20427-0001

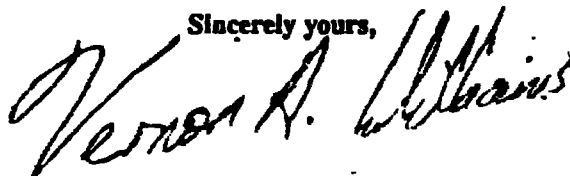
5/14/96

Robert W. Alvord
Alvord And Alvord
918 Sixteenth Street, NW., Ste. 200
Washington, DC., 20006-2073

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/14/96 at 12:05PM, and assigned recordation number(s). 20058, 20058-A, 20058-B, 20058-C and 20058-D.

Sincerely yours,

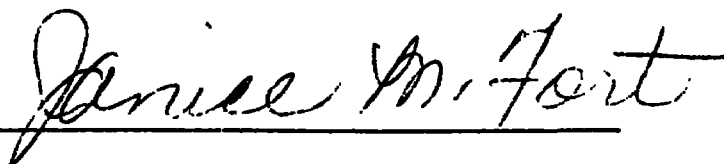


Vernon A. Williams
Secretary

Enclosure(s)

\$ 105.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



Bill of Sale

22058
MAY 14 1996 12 07 PM

For and in consideration of the sum of **\$1,487,500.00** and other good and valuable consideration, the receipt of which is hereby acknowledged, **NORRAIL, INC.** (the "Seller") does hereby sell, assign and transfer unto **METLIFE CAPITAL, LIMITED PARTNERSHIP** (the "Buyer"), and its successors and assigns, the Equipment as described in Exhibit A attached hereto.

The Seller hereby warrants that it has good and marketable title to the Equipment and that the Seller's title thereto is free from all liens and encumbrances.

Seller agrees to indemnify Buyer and hold it harmless from and against any and all loss, cost, damage or exposure, including reasonable attorney fees that it may suffer as a result of any claims, suits, demands, actions, causes of actions, recoveries or judgments arising out of any claim of title to the railcars or any lien thereon arising prior to the date hereof.

This Bill of Sale is being delivered in connection with the Purchase and Sale Agreement between the Seller and the Buyer dated as of December 19, 1995. **EXCEPT FOR THE WARRANTY OF TITLE SET FORTH IN THIS BILL OF SALE AND THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THE AGREEMENT**, the Equipment is being sold to Buyer by the Seller, "as is, where is" without any other representations and warranties whether written, oral or implied, and the Seller shall not by virtue of having sold the Equipment herewith, be deemed to have made any representation or warranty as to the merchantability, fitness for a particular purpose, operability, design or condition of, or as to the quality of the material or workmanship in, the Equipment.

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale as of the 13th day of May, 1996.

Seller: NORRAIL, INC.

By: Russell A. Adams

Its: Vice President Sales

<u>OLD CAR #</u>	<u>NEW CAR #</u>
CR887810	DME44007
CR886969	DME45000
CR886935	DME45003
CR886914	DME45004
CR888383	DME46003
CR888381	DME46008
CR890989	DME46009
CR886076	DME46017
CR886007	DME46018
CR886098	DME46019
CR890844	DME46034
CR890972	DME46045
CR888048	DME46051
CR886549	DME46054
CR891023	DME46061
CR886555	DME46068
CR886230	DME46076
CR886297	DME46087
CR887971	DME46089
CR886135	DME46109
CR886449	DME46117
CR886172	DME47013
CR886151	DME47019
CR886163	DME47024
CR891016	DME47035
CR886591	DME47054
CR890852	DME47057
CR890921	DME47062
CR890962	DME47070
CR888537	DME47091
CR890904	DME47119
CR890895	DME47123
CR890933	DME47131
CR890918	DME47134
CR890861	DME47144
CR890957	DME47145
CR890866	DME47147
CR890853	DME47153
CR890959	DME47155
CR888330	DME47171
CR889655	DME47179
CR888950	DME47201
CR887143	DME47205
CR887159	DME47219
CR887193	DME47220
CR887177	DME47235
CR887591	DME47263
CR887403	DME47268
CR887677	DME47272
CR887746	DME47280

(50)

STATE OF Minnesota

COUNTY OF Wright

On this 13th day of May, 1996, before me personally came Russell S. Adams to me known, who, being by me duly sworn, did depose and say that he is the Vice President - Sales of NorRail, Inc., a Minnesota corporation, and he acknowledged to me that he executed the foregoing document on behalf of said corporation by order of its Board of Directors and that such document was the free act and deed of said corporation.

Witness my hand and official seal.



Joann M. Pelinka
Notary Public in and for said State

My commission expires:
1/31/2000